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MARKETING ACTIVITIES

U. S. Department of Agriculture
Production and Marketing Administration
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IN THIS ISSUE:

Very few producers have stored soybeans--so few in fact that little is known of the gains and risks involved. Mr. Prichard feels that the subject will bear looking into.

If your corner grocery suddenly gets a face-lifting and at the same time you find yourself buying better quality fresh fruits and vegetables it may be that your grocer is enrolled in a streamlined training course cooperatively sponsored by the produce industry and the Department of Agriculture.

Nonfat dry milk, much of which is sold abroad, could have a bigger domestic market. (This article is based on a chapter from the book, The Dry Milk Industry, by Hugh L. Cook and George H. Day, agricultural economists of the Department.)

What is choice and abundant today? Just read the "Plentiful Foods List."

This year's round-up on market news by radio reflects the greater over-all interest in obtaining today's markets today.

Address all inquiries to
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Soybean Storage

By George L. Prichard

When a farm enterprise attains the stature of a giant in a little more than a decade, as has been the case with soybeans, "growing pains" can be expected. These pains have not developed because, for several years, there has been a world-wide shortage of fats and oils and war and postwar needs for soybeans have been great. Ultimately, however, a slackening demand will bring problems to the industry. And one of the most complex problems has to do with storage.

The rapid expansion of the soybean industry illustrates the flexibility of American agriculture. Production in 1924 was less than 5 million bushels and expansion came slowly during the twenties and early thirties. But, as the need increased, farmers stepped up soybean production--to 23 million bushels in 1934, to 90 million in 1939, and to 192 million in 1944. This year, with a still-lingering world shortage of fats and oils, output is expected to total 206 million bushels--an all-time record crop.

Crop Moves Quickly

Despite rocketing production, prices to producers in recent years have been relatively strong at harvesttime. During the years price controls were in effect, it was just as profitable for producers to sell at harvesttime as later on in the marketing season, because no price differentials were established. And since price ceilings have been removed, prices at the harvest season, although not as high as later on, have been strong enough to move an average of almost 80 percent of the crop into marketing channels by the end of December. So producers, if they thought about storage at all, probably asked themselves this question, "Why store, when prices at harvest are favorable?"

But producers have no assurance that prices will continue to be favorable. The intense demand for fats and oils throughout the world may be expected to diminish as war-torn areas bring their own production back to normal. The production of soybeans in the United States also may be expected to diminish eventually in response to smaller demand. Until an equilibrium between demand and supply is established, however, soybean producers can look for some price adjustments and the market is likely to be most sensitive at harvesttime.

As a matter of fact, producers already are faced with the problem of price adjustments. Soybeans of the 1948 crop harvested thus far have been selling substantially below last year's levels.

So, this year at least, the course the soybean producer should follow is fairly obvious. It will be definitely to his advantage to obtain a Commodity Credit Corporation loan or purchase agreement on farm- or warehouse-stored beans. The loan or purchase agreement will assure him of a fair price and he will have, in addition, the possibility of

marketing his soybeans at above support levels later.

But what a producer should do this year--if he has the storage or can arrange for it--and what he should do every year is not so obvious. There is more to the soybean storage problem, from a long-range point of view, than meets the eye.

On the surface, it would appear that the producer, most years, would increase his returns by storing and by stretching out his marketings. In years when there were no price controls, prices received by farmers for soybeans averaged substantially lower in October than in the following January.

For example, in October 1941 average prices received by farmers for soybeans averaged $1.42 a bushel as compared with $1.65 the following January. October 1946 prices averaged $2.28 as compared with $2.93 in January 1947. And October 1947 prices averaged $3.11, as compared with $4.11 in January 1948.

Storage Has Its Costs

But do these figures prove the case for storage? By no means. Marketings are heavy during the October-December period and prices are relatively low. On the other hand, marketings are lighter after January 1 and prices are relatively high. It can be assumed, then, that heavier marketings during the tail end of the marketing season and lighter marketings during the early part of the season would have the effect of "smoothing out" to some extent seasonal variations in prices.

Nor is that all the story. The producer who is thinking about storage as one means of augmenting returns must take into consideration construction costs, labor costs, handling costs, insect damage, and shrinkage costs. He also might want to study the relative advantages and disadvantages of farm storage and rented commercial storage.

To assist producers in making their marketing plans, the Production and Marketing Administration's Fats and Oils Branch has initiated a project under the Research and Marketing Act to study all phases of farm storage of soybeans. This study--a part of a larger inquiry into soybean marketing--will be carried on carefully and methodically. So conclusions will probably not be available until some time in the future. But once that study is completed, producers should have a real clue to question, "Shall I store or sell at harvesttime?"

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LOANS AVAILABLE ON WAREHOUSE-STORED SOYBEANS

The price-support program for 1948-crop soybeans consists of commodity loans, whether farm- or warehouse-stored, and purchase agreements, both available from time of harvest through December 31, 1948. The loans mature April 30, 1949, or earlier on demand. The purchase agreements provide that producers may sell their soybeans at support prices to the CCC within 30 days after the maturity date of the loans.

Training Courses Aid Food Retailers

By Robert J. Andrews

Food retailers and their employees are going to school again. But this time, instead of working on the three R's, they are studying up-to-date methods of merchandising fresh fruits and vegetables. And they are finding, through this practical type of classwork, that modern merchandising techniques mean, among other things, satisfied customers, increased sales volume, and larger net profits for the produce department.

The produce industry has been aware for a long time that merchandising methods for fresh fruits and vegetables have not kept pace with methods developed by the retail food trade as a whole for other commodities. The success of some large organizations in developing efficient techniques and in carrying on regular training programs for employees has only turned the spotlight on the problem. This success, in other words, has made the question not one of "Can it be done?" but "Can retailers, generally, learn to do it?"

The U. S. Department of Agriculture, working under authority of the Research and Marketing Act of 1946, sought the answer to the latter question. Various groups known to be interested in retailer training were invited to cooperate with the Department on an experimental project to study the effectiveness of such training. As a means of carrying this out, a contract was entered into with the United Fresh Fruit and Vegetable Association in October 1947, under which that organization agreed to conduct courses of instruction in produce merchandising for retailers and their employees in cities and towns throughout the United States. The subject matter of the course and its method of presentation were approved by the Department.

Retailers Learn by Doing

The program comprises an organized system of instruction designed to give retailers and their employees a concentrated, one-day course of training in fresh fruit and vegetable merchandising. Training classes are open without cost to all retailers and their employees. Classes are purposely kept small so that all students can participate in the training operations. Fresh fruit and vegetable wholesalers desiring to make the course available to retailers in their territory apply to the United Fresh Fruit and Vegetable Association, which supplies instructors for the training courses. After the necessary arrangements are made the wholesaler has two obligations: first, he must provide a suitable classroom and facilities for the course, as well as providing fresh produce for each training session, and second, he takes the applications of retailers and their employees who wish to attend the course. This latter has been no problem, for the trade has been very enthusiastic. The only obligation the trainee assumes is that of supplying the Department with information on which to base an evaluation of the effectiveness of the course as applied to his own business. His only cost is his time.

Probably most customers would pass up a produce display like this if they saw it first through the eye of a camera. Besides risking their necks from falling cartons, they wouldn't go for bins with that "left over look" amid the general confusion. The retailer in charge transformed this store with the instruction and guidance of the training program.

How to build a display with plenty of sell. Oregon grocers are back in school again learning the know-how of produce display. At the moment it's carrots. But what about those cauliflower heads up on the rack? Well, since demonstration is preferred to theory one of those heads was doused in water that morning; the other two came from an iced barrel where they received the water treatment from one to three days. The question being settled affirmatively is: "Can water be used on cauliflower?"

It's too bad this can't be shown in color! Nature gave vegetables a lot of it and good display techniques will capitalize on color contrast in the rack. Here the reader gets a chance to look at a well-knit rack 1 minute before the store opens in the morning.

Essentially the course involves instruction in all phases of handling and selling of fresh fruits and vegetables. The instructor demonstrates the trimming of green vegetables, explaining the reasons for the method. Then each of the trainees tries his hand under the guidance of the instructor, thus learning by doing. Next, from rack plans developed by the students, a display of a full range of fruits and vegetables is built and rebuilt to illustrate good display principles. With the fruits and vegetables on display, the instructor emphasizes the various elements of day care. Later, the display is torn down and, with the students assisting, the instructor demonstrates the use of a produce barrel, preparing and packing the produce in the barrel for keeping the produce in good condition over-night. Prior to this, the instructor unpacks the barrel to show the condition of the produce which had been placed in it the day before. Having effectively schooled the trainees in physical handling, the instructor devotes the rest of the day to sales methods, buying, inspecting, recordkeeping, pricing, and other operations in the retail produce department.

Training is Country-wide

The first retailer training class conducted under the sponsorship of the Department was held in Amarillo, Texas, in November 1947. As of October 1, 1948, more than 600 classes have been conducted in 40 other cities in 18 states and more than 6,100 retailers and their employees have been trained.

After each retailer has completed the course and has been given time to put into practice what he has been taught, he is requested to submit information revealing how effectively he is applying the principles taught and whether his profits and sales have increased or decreased. He also is asked to present suggestions for improvements in the conduct of the course.

A preliminary tabulation of records thus far received indicates that this type of training has been very beneficial. Graduates have reported that they are making good use of what they learned in the course--building more attractive displays, reducing spoilage losses, and, of course, increasing volume of sales and net profit in the produce department.

Moreover, the Department has received hundreds of letters from retailers who have taken the course, supplementing the information supplied on the forms. This is a typical report: "My help and I are using all the ideas you taught us, including overnight care. I feel that this part right here has saved me a hundred dollars during the past week. It is really amazing how little loss there is after icing the vegetables at night. Another very gratifying feature is that 'most every day one of my customers will say, 'How nice and fresh your fruit rack looks'".

A wholesaler reported that two-thirds of the grocery store owners attending the classes in his area in a six-week period had improved their produce departments by buying new produce racks or remodeling and

enlarging their old ones, or had made plans for such improvements and expansion.

One merchant explained that his store was located 40 miles out in the country and received deliveries only on Tuesdays and Saturdays. This created a problem because it meant he could not have fresh merchandise on hand every day of the week. However, after learning about and using the produce barrel, he has been able to keep his hold-overs fresh and saleable every day.

Consumer Reaction

An interesting episode which tells much about customers' reaction to varied sales practices was reported by another merchant who attended the course. He wrote, "By changing the arrangement of the rack frequently thereby causing our customers to 'shop the rack' we have increased our business considerably. For example, we had an orange customer, strictly oranges, which previously were always on the end of the rack nearest the door. Now, by frequent changes of the merchandise, he invariably 'shops the rack' and buys as many as three to four items in addition to his oranges."

Some merchants report increases in sales as high as 30 to 50 percent. Others report that the pre-instruction losses have been cut as much as 80 percent and almost unanimously the merchants commented on the customer approval. Thus it appears that the training courses are achieving the three main objectives of reducing waste, increasing sales, and providing the consumer with better products.

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CORN LOAN AND PURCHASE AGREEMENT RATES ANNOUNCED

Corn loan rates for the 1948 crop, ranging by counties from $1.34 to $1.63 a bushel, and averaging $1.44 nationally, have been announced by the United States Department of Agriculture. This fall farmers can put the corn under loan at time of harvest instead of having to wait until December 1, as in former years.

Purchase agreement rates for the 1948 crop range from $1.34 to $1.66 a bushel. The upper range of rates on purchase agreements applies only to feed-deficit States where corn loans are not available.

The 1948 loan and purchase rates are based upon 90 percent of the parity price of corn as of October 1, 1948, as required by the controlling legislation. Parity for that date was $1.60 a bushel as a national average, as contrasted with $1.53 (revised) at the same time last year. In contrast, the national average of local market prices received by farmers on September 15, 1948 was $1.78 a bushel, compared to $2.40 on that date last year. Producers put only 1,125,000 bushels of the 1947 crop under loan. The largest quantity ever put under loan was 301,729,000 bushels from the 1939 crop.

The Market Outlook For Nonfat Dry Milk

By George H. Day

The recent decline in milk production together with several accompanying changes in milk utilization and marketing have tended to obscure the need for expanding existing markets or developing new outlets for nonfat dry milk solids. Long range forecasts point toward sustained and likely greater production of nonfat dry milk solids as more and more farm output is marketed as whole milk instead of farm-separated cream. However, the high prices of protein feeds which existed through the 1948 June flush may have temporarily increased farm-separation of milk for livestock and poultry feeding in some sections--a factor almost certain to diminish with abundant feed in prospect.

Continued heavy utilization of whole milk as fluid milk and the relatively high proportion of manufacturing milk used in evaporated milk and cheese also has limited the supply of milk available for factory separation. As a result, during the first 7 months of 1948 the production of nonfat dry milk solids was 11 percent less than the peak for the same period in 1947. As it appears that the present supply is barely adequate for current needs, it would seem that additional outlets are not needed.

Exports Have Been Heavy

It must be recognized, however, that approximately one-third of the present output is exported and that the bulk of those exports must be regarded only as temporary outlets. The average rate of domestic consumption of nonfat dry milk in recent years has been moderately greater than 400 million pounds annually. Most of the balance of the domestic output--an amount exceeding 200 million pounds annually--has had to depend upon foreign relief, including military feeding of civilians in occupied areas, and export markets. The volume of these exports and shipments in 1947 was sustained in part by the purchase of over 200 million pounds of nonfat dry milk solids under the price support program of that year. Exports in 1948 have been substantially smaller.

Although a review of export data is not conclusive, it appears reasonably clear that only a small part of the exports in the last two and one-half years has gone to countries that can be considered commercial importers in the usual sense. Exports to what might be called "earned dollar" countries in North and Latin America, Africa, Asia and Europe have accounted for only about 15-20 million pounds annually, or less than 10 percent of the total exports and military shipments. Thus while these markets may improve for a time under a program of education, promotion, and the ECA, the export market as a whole cannot be depended upon as a permanent outlet for a large part of the American product. Expanding production in some importing and in some competing exporting

countries such as Canada, Argentina, Australia, New Zealand and Denmark may retard the development of our export markets. Ultimately the new outlets must come through expanded domestic consumption.

Under these circumstances an upward trend in nonfat dry milk solids production would almost certainly bring with it a marketing problem. The record crop of feed grains and high protein feeds will give impetus to an increase in milk production. At the same time indications point toward a relatively greater proportional increase in whole milk sales from farms. This will result in an increasingly greater supply of factory separated milk. Since drying has constituted the principal method of concentrating and conserving this product and milk drying capacity is now sufficient for 2 or 3 times the present rate of production, some increase in nonfat dry milk solids production appears assured.

Of the nonfat dry milk produced in 1941 prior to our entry into the war about 54.8 percent was used in bakery products; 13.7 percent in ice cream; 10.7 percent by the Government largely for lend-lease shipments; 7 percent in cultured buttermilk, cottage cheese and chocolate drink: 6.3 percent in sausage and other meat products; 3.0 percent in confections; 2.8 percent in prepared flours; 1.4 percent in institutional cooking; and 0.3 percent was sold for household use. These figures are only approximate and have undoubtedly undergone some changes since the war but no recent reliable statistics have been compiled.

Baking Industry Chief Market

Bakeries probably will continue to constitute the principal market outlet for some time. Nonfat dry milk is compact; it requires a minimum of refrigeration and affords greater ease in handling; it offers uniformity of raw product and consequently allows standardization of baking formulas with uniformity in the finished product, and it reduces losses from spilling, spoiling and sticking. Some indication of the size of this potential market is given by the dairy industry's estimates based on 1939 census figures. This showed that the equivalent of 500 million pounds of nonfat dry milk solids would be used by the baking industry if 6 percent milk solids were to be used in bread, doughnuts and related products, 16 percent in cakes, and 10 percent in cookies. Though this volume may not be reached for some time, considerable expansion of this market appears possible. Some efforts might be made to encourage a freer comparison of the nutritive, flavor, and keeping characteristics of this product with that of other fortifying agents.

The manufacture of ice cream and other frozen desserts appears likely to continue as one of the principal outlets. Nonfat dry milk is well adapted to the needs of the ice cream industry which requires a concentrated source of milk solids. Research might be undertaken to determine the effect of using additional nonfat dry milk solids on both texture and flavor of ice cream.

Opportunities of increasing the demand for nonfat dry milk solids in cultured buttermilk, cottage and baker's cheese and chocolate drinks appear broad but indefinite. Improved processes in the preparation of

these products are being developed.

Dry milk is used in bolognas and frankfurters, head cheese, beef loaves, pork sausage and hamburger. In nutritive value and flavor this product compares favorably with vegetable proteins aften used as fillers.

Confections probably will offer an increasingly important outlet for nonfat dry milk solids, as its advantages now being studied in research projects become more generally known. Further expansion in the production of confections appears likely, in line with the increase in population and especially if there is a continued high level of consumer income.

The sharp increase in production and sales of prepared biscuit, cake, doughnut, pancake, and similar flours and mixes should prove an impetus to nonfat dry milk consumption as its advantages gradually become better understood by processors and users of these mixes. The manufacture of processed cheese foods and margarine are outlets of increasing importance because its inclusion fortifies these items with proteins, lactose, minerals, and some vitamin values.

The principal potential use of nonfat dry milk solids by household consumers, restaurateurs, operators of hotels, and other institutions seems to be of its direct use in the preparation of foods. Among the types of dishes which could be made more nutritious by the use of dry milk are cereals, hotcakes, muffins, gingerbread, and other cakes and cookies, casserole dishes, homemade ice cream, soups, gravies, sauces, custards, puddings, and similar desserts and preparations.

Home Consumption Negligible

In general, direct consumer response to the merchandising of nonfat dry milk has so far been rather disappointing. There is little indication that the product has so far had satisfactory price or use appeal to people in income brackets whose nutritional standards are lowest.

About the only favorable consumer response to dry milk merchandising thus far has been found in southern markets. Even here the retail sales volume in areas of fluid milk shortages is not large. If the sales rate recently reported from Birmingham, Alabama were extended to every urban area in the United States, the quantity sold probably would amount to about 5 percent of the current production rate.

In the last analysis, expansion of the domestic market for nonfat dry milk solids will depend mainly upon the development of consumer habits of preference for foods containing this product. Its nutritional values, while potentially important in the national diet, will mean little to the average housewife until she has acquired the habit of buying foods containing nonfat dry milk solids because she fancies the flavor, texture, appearance, and other qualities of prepared foods in which it is an ingredient. Direct consumer purchases of the product will depend upon a broader acquaintance of the housewife with the most effective methods of its use in the daily menu. Its acceptance will

also depend upon general appreciation of the fact that nonfat dry milk has virtually all the food elements, with the exception of butterfat, of fluid milk, and upon the extent to which nonfat dry milk is made available to retail food distribution outlets and is merchandised in convenient, attractive packages.

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USDA ANNOUNCES HOG PRICE-SUPPORTS THROUGH PERIOD ENDING MARCH 1949

Although market prices of hogs have been considerably above support levels for several years, the U.S.Department of Agriculture recently announced the schedule of average prices at which hogs will be supported as required by law, if prices should decline to the support level.

Under the Agricultural Act of 1948, hog prices must be supported at 90 percent of parity through the calendar year 1949. Department officials, however, do not anticipate that hog prices will decline to the support level during the October-March period covered by the schedule.

Support prices for hogs are calculated twice a year on the basis of parity prices on March 15 and September 15. The September 15 parity price was $18.20 per hundred pounds. The average of prices received by farmers on that date was $27.30 per hundred pounds. The schedule announced gives the average weekly support prices for the period October 1948 through March 1949.

The support prices for the next six months will range from highs of $17.50 per hundred pounds, Chicago basis, in October and March (when marketings of hogs are seasonally small) to a low of $15.25 per hundred pounds in December (when marketings are seasonally the largest of the year).

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CORRECTION

A typographical error can make a statement 100 percent inaccurate.

"Food Prices and Support Programs," lead-off article in the September issue of Marketing Activities, contained the following statement: "Let's take a look first, at the prices that are not supported, as well as at prices that are already so high as to make support operations necessary."

The last word of that sentence should have been, of course, <u>un</u>necessary.

Our apologies to the author and to our readers.

—Editor

Balanced Abundance

By E. A. Arneson

When an agricultural commodity gluts the market it usually adds up to a headache for the food trade as well as for farm producers. Foods in excessive supply invariably move more slowly in relation to their volume than foods in normal supply, resulting in waste and spoilage, and in lower returns to all concerned.

The problem is further complicated by the fact that a food in over-abundant supply one season may be in short supply the next, for a farmer who is forced to take a depressed price one year is not likely to devote his acreage to the same crop the next season. Farm products in short supply mean trouble to the trade, too, because they're usually high in price--a situation which cheers no customers.

The United States Department of Agriculture, interested in ironing out the "peaks" and "valleys" of farm production, and in helping consumers buy wisely and selectively, is meeting some of the problems with an effective device known as the "Plentiful Foods Program." The key to his program is a monthly list of foods in plentiful supply--known as the "Plentiful Foods List"--which is made available" to trade groups and associations, wholesalers, retailers, restaurants, hotels, institutions, industrial feeding plants, nutrition committees, home economists, food page editors, radio "Homemaker" commentators, and any others interested in food.

Objectives Outlined

The list is intended to accomplish three major objectives: (1) To assist in maintaining an orderly flow of commodities through regular channels of trade by bringing about increased consumption of foodstuffs which might otherwise become over abundant; (2) to focus consumer attention on nutritious foods which are generally available at relatively lower prices; and (3) to relieve pressure on food commodities in shorter supply by directing consumer attention to the more plentiful foods. The list also enables retail grocers to better plan their merchandising and purchase programs.

During the first week of each month, a listing of foods expected to be in plentiful supply during the succeeding month is compiled in the Washington, D. C., offices of the Production and Marketing Administration, USDA. The information is based upon recommendations made by the various commodity branches within PMA which draw their information from USDA field offices in the various states and counties throughout the country.

To be placed on the list, the foods must meet the following requirements; (1) The food must be generally consumed by a large proportion of the population and not considered a luxury item; (2) it must be generally available throughout the country in larger quantities than the market will readily absorb during the period covered by the list; and

(3) appreciable quantities of the food would be wasted or the market unduly depressed unless consumption is stimulated.

Before the list is given general distribution, it is first localized to reflect supply conditions in the five geographic areas from which it is finally released. This is done by the PMA field offices in San Francisco, Dallas, Atlanta, Chicago, and New York. In these cities, PMA representatives delete or add such items as determined by local supply conditions. These revisions are made on the basis of information received from area representatives of PMA's commodity branches, the State departments of Agriculture, State PMA offices, and key food distributors.

Food List Distribution

With the necessary adjustments completed, the list is distributed to food trade groups, public eating establishments, including operators of institutional and industrial cafeterias, and other allied groups by the PMA area offices. To these groups it serves as a guide to buying and merchandising programs. It is also made available to advertising agencies, which use the list to prepare copy either to directly promote sales of the listed foods, or to feature the foods as timely supplements to other food commodities.

Distribution of the list to reach the consuming public is made later, timed more or less, to precede by a few days, the advent of the listed plentiful foods on the markets. To reach the consumer effectively, the list is made available to virtually every radio station in the country, particularly those carrying women's programs, to nearly every daily newspaper, including those featuring food pages; and many other publications and journals reaching consumers.

"Better Buys"

Through these channels, where it is often supplemented with appropriate recipe suggestions and menues using the foods involved,the Plentiful Food List helps the homemaker with her food purchasing and meal planning and at the same time helps keep her aware of the current "better buys."

The over-all effect of the Plentiful Food List now becomes obvious. By increasing consumer demand and consumption two important results are accomplished. First, a more equitable distribution through normal trade channels is secured for those foods which might otherwise become overabundant, and second, the quantity of these foods which it might be necessary for the Government to purchase under price-support operations is reduced.

More important,consumers gain through steady supplies of reasonably priced, health-giving foods. Food handlers are spared wastage and handling problems, and retailers profit from a more satisfied clientele. All this helps to stabalize prices to producers, assuring adequate future supplies of farm commodities.

Radio Market News Survey

By Bernice Baker

The picture of the farmer who each morning rounds up his hogs and crates his broilers and then listens to the radio for a favorable market has probably been overdrawn. Nevertheless, the results of a survey just completed by the Production and Marketing Administration of the U. S. Department of Agriculture indicate a sharp growth in the broadcasting of market news.

According to the annual PMA market news survey of broadcasting stations, completed during the months of May and June of this year, 1,079 radio stations reported one or more market news broadcasts each weekday. During 1947, in a similar survey, only 744 radio stations indicated that they carried market news broadcasts to farmers.

Survey Has Dual Purpose

The information is collected in order to learn the extent of radio dissemination of market news, together with the adequacy of service to farmers on the various farm products. A total of 992 stations reported that market news on livestock was broadcast regularly; 515 reported fruits and vegetables broadcasts; 563 grain and feed;761 dairy and poultry; 243 cotton; and 25 tobacco.

A number of factors are responsible for the recent increase in the broadcasting of market news. Coupled with the over-all expansion in the number of stations has been the desirable increase in the number of farm program directors employed by community-wise stations. These men are aware of farmer dependency on timely market news coverage and they usually include such service on their programs.

Greater Emphasis on Marketing

Directly linked with these advances has been the opening of 21 new Federal or Federal-State Market news offices as sources of market information. Moreover, 25 States have shown their growing interest in the distribution of market news by increasing their activities in this field in cooperation with the Federal Government. Much of this increased emphasis stems from a greater interest in marketing as a result of the Research and Marketing Act of 1946. With agricultural production the greatest in history, the role of marketing aids assumes greater significance.

For the most part the increase in the number of stations broadcasting market news has been in keeping with the increase in the number of radio stations in operation. The time allotment, or the number of broadcasts per day depends largely on the extent of the rural audience served and whether or not the station also has a large urban hearing. The number of stations carrying market news in 1921 was 3; by 1929 the number had increased to 110, and in 1940 a total of 387 stations were

carrying the information. With the end of the war the number reporting the service mushroomed from 744 in 1947 to 1,079 this year.

Many stations in industrial centers either do not carry market news or devote but two or three minutes a day to this type of service, while some of the midwestern stations present as many as 12 market newscasts a day which consume up to a total of an hour and three quarters of broadcasting time.

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PRESIDENT TRUMAN NAMES
NEW CCC BOARD MEMBERSHIP

The new Commodity Credit Corporation Board of Directors has been named as called for under the new CCC Charter approved by the 80th Congress in June 1948.

Members appointed include: the Secretary of Agriculture, who under provisions of the charter automatically is a member of the Board; Under Secretary Albert J. Loveland, for a 5-year term; Administrator Ralph S. Trigg, for 4 years; Glenn Harris, Richdale, California, 3 years; and L. Carl Fry, Donelson, Tennessee, 2 years.

The new membership succeeds the interim board named by the Secretary on July 1, 1948. Those appointments were in line with provisions of the legislation which established the new charter for the corporation.

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PHILIP E. NELSON APPOINTED
DIRECTOR OF PMA DAIRY BRANCH

Appointment of Philip E. Nelson of Wisconsin as Director of the Production and Marketing Administration's Dairy Branch, effective immediately, has been made by Ralph S. Trigg, PMA Administrator, U.S. Department of Agriculture. Herbert L. Forest, who has been serving as Acting Director of the Dairy Branch, will continue as Assistant Director.

Born and raised on a dairy farm in Clark County, Wisconsin, Mr. Nelson has had long experience in production, management, and public service fields. After several years in industrial work, he established and operated cheese factories in Clark and Rusk counties, Wisconsin. Following two years service in the Army during World War I, he and his father established the dairy farm at Maple, in Douglas County, where he still lives.

Mr. Nelson later organized a cooperative cheese factory in Douglas County, and served as its secretary-manager. He helped establish the Twin Ports (Duluth, Minn.-Superior, Wisconsin) Cooperative Dairy Association, and also served for a time as the director of this association.

Cotton.--USDA announced in mid-September that the 1948 cotton loan program has been amended to provide for loans on farm-stored cotton. County Agricultural Conservation Association Committees will handle the program locally and will approve structures on or off the farm for storage of loan cotton....Loan rates on 1948-crop American-Egyptian cotton No. 2, 1 1/2 inches, will be 61.10 cents a pound, net weight, in the Arizona-California area and 61.35 cents a pound, net weight, in the New Mexico-West Texas area. Actual marketing differences from August 1, 1947, through June 30, 1948, were used in establishing loan differentials while a location differential has been set between the Arizona-California area and the New Mexico-West Texas area to reflect transportation costs from the area of production to Southeastern and New England mill points.

Dairy Products.--USDA recently announced adoption of a seasonal plan of payments, subject to industry approval, to producers supplying the Nashville, Tennessee milk marketing area. The seasonal payment plan, which will have no effect upon the price paid for milk by handlers, provides for the making of deductions of 45 cents per hundred from payments to producers during the seasons of flush production and distribution of sums collected to producers during the short-supply months of September through November....USDA has approved, subject to industry acceptance, revisions in prices of certain non-fluid classes of milk in the Cleveland, Ohio, milk marketing area. If put into effect, the revision will not change producer price of milk for fluid use, nor will the Cleveland Federal Milk Order, which will be amended should the revision be adopted, fix the retail price of any class of milk.

Fruits and Vegetables.--Early in September USDA announced revised Federal standards for orange grades produced in States other than Arizona and California. Principal changes effected are elimination of the use of U. S. Combination grade in Florida, and the permissive use of U.S. Grade AA Juice (Double A) and "U.S. Grade A Juice" to reflect internal quality of oranges....Maine potato producers recently voted approval of a marketing order previously issued by the Secretary of Agriculture and regulating the handling of Maine-grown potatoes. Approval of 93 percent of the producers and 92 percent of production constituted the highest favorable majority ever recorded in potato marketing referendums...USDA has offered to buy approximately 600,000 cases of canned tomatoes of the 1948 pack and approximately 125,000 cases of canned tomato paste of the 1948 pack for use in the National School Lunch Program.

Grain.--A support price of $2.18 a bushel for 1948-crop green and yellow soybeans, grading U.S. No. 2 and containing not more than 14 percent moisture has been set by USDA. Black, brown and mixed varieties will be supported at $1.98 a bushel....Price supports through producer loans and purchase agreements for 1948-crop rice will average about $1.84 a bushel, as compared with $1.69 a bushel for the 1947 crop and are based upon 90 percent of parity as of August 1, 1948....Beginning December 1, CCC will supply wheat only for the occupied Zones of Germany (U.S.--U.K. and French Zones) and the Pacific (Japan, Korea, and Ryukus), Austria, Greece, Trieste, and China. USDA announces that other ECA-par-

ticipating countries and so-called "cash-paying" countries will be supplied direct by private suppliers in the United States....USDA has announced changes in corn purchase agreement dates in areas where loans are not available, and in angoumois moth infestation areas. In both these areas corn purchase agreements will be available from time of harvest through March 31, 1949, instead of through June 30, 1949, as previously announced. Also, in these areas where corn loans are not available corn may be delivered to the Commodity Credit Corporation under purchase agreements in June or earlier on demand by CCC, instead of in September or earlier on demand. In areas where loans are available, delivery will be accepted in September or earlier on demand by CCC.

Poultry.--Continued high-level production of eggs is recommended by the U.S. Department of Agriculture in 1949 production goals being announced as the goals committees complete their work for the new commodity seasons. All production goals or guides recommended by the Department are referred to USDA State Councils for consideration. The suggested national goal calls for 425 million hens and pullets on farms on January 1, 1949. This would mean retaining on farms a larger proportion of the summer flocks than in recent years--75 percent of the number on farms August 1 compared with 71 percent last year, when food supplies were reduced by bad weather. With 425 million hens and pullets, abundant food supplies, and good management, consumers can expect at least as many eggs per person as in 1948. Department officials said that a difference of one million hens and pullets would mean a difference of one egg per U.S. consumer. In 1947 and 1948 U.S. consumers averaged 380 eggs apiece compared with a prewar average of 298.

Tobacco.--Early in September USDA certified to the Administrator of the Economic Cooperation Administration the proportion which the excess of each class or type of tobacco over domestic requirements bears to the total amount of tobacco exceeding U.S. needs. The determinations were made and submitted in conformity with Subsection 112 (d) (2) of the Foreign Assistance Act and are designed as a guide in the procurement of U.S. tobacco for transfer by grant under the ECA program. The proportions are as follows: Flue-cured, 72 percent; Burley, 11.7; Maryland, 1.4; fire-cured, 10.6; Dark air-cured (excluding Va. sun-cured) 2.1; Cigar leaf, 2.1; and no Virginia sun-cured.

Sugar.--Prices for 1948-crop Louisiana sugar cane paid to growers by processors who apply for Sugar Act payments will be based on the same formula as for the 1947 crop, except for a revision in the definition for standard sugarcane to provide for trash deductions in excess of 3 percent, USDA announced early in October. With sugar prices at present levels the basic price for standard sugarcane will be $1.03 per ton of cane for each 1 cent per pound of the price of raw sugar...USDA announced that the distribution of sugar by primary distributors in the continental United States for civilian and military use during the week ending September 25, 1948, totaled 137,752 short tons, raw value, compared to 168,626 tons during the corresponding week last year....No allotments among processors for the 1948 sugar quotas for Puerto Rican sugar are deemed necessary since actual production of the 1947-48 crop is proving to be smaller than was estimated earlier.

The following addresses, statements, and publications, issued recently, may be obtained upon request. To order, check on this page the publications desired, detach and mail to the Production and Marketing Administration, U.S. Department of Agriculture, Washington 25, D. C.

Addresses and Statements:

A Fast-Moving World, by Charles F. Brannan, Secretary of Agriculture, at Des Moines, Iowa, September 9, 1948. 12 pp. (Processed)

Putting the Bee on Soil Erosion, by Charles F. Brannan, Secretary of Agriculture, at Osceola, Iowa, September 9, 1948. 7 pp. (Processed)

Cribs for the Corn, by Albert J. Loveland, Under Secretary of Agriculture, at Vinton, Iowa, September 23, 1948. 9 pp. (Processed)

Publications:

Marketing Practices at Central Spot Cotton Markets. (PMA) August 1948. 55 pp. (Processed)

The Wholesale Market for Fruits, Vegetables, Meat and Meat Products, Poultry, Eggs, and Other Produce at Houston, Texas. (PMA) June 1948 123 pp. (Processed)

Marketing Northwestern Onions; Summary of the 1947-48 Season, Oregon, Washington, Idaho. (PMA) June 1948. 19 pp. (Processed)

Wholesale Prices of Fresh Fruits and Vegetables at New York City, Chicago, and Leading Shipping Points, by Months, 1947. (PMA) June 1948. 66 pp. (Processed)

Grass Roots Conservation for Pasture and Range. (PMA) Folder, PA-55. June 1948. (Printed)

Mohair Report. (PMA) June 1948. 37 pp. (Processed)

Carlot Unloads of Certain Fruits and Vegetables in 100 Cities and Imports in 5 Cities for Canada, Calendar Year 1947. (PMA) 105 pp. (Printed)

School Lunch Recipes Using Dried Fruits. (PMA) PA-57 August 1948 7 pp. (Printed)

Marketing Florida Citrus Summary of 1947-48 Season. (PMA) October 1948. 67 pp. (Processed)

Meat Supply and Distribution by Quarter-Years, United States, 1941-47. Bureau of Agricultural Economics in cooperation with PMA) June 1948. 60 pp. (Processed)